



## Legislation Text

---

**File #:** 2019-0465, **Version:** 0

---

### Title

Electrical Municipal Aggregation Program - Approval

### History

Following the passage of a voter Referendum in March 2012, the Village has managed an Electrical Municipal Aggregation (EMA) program, leading to approximately \$377 dollars in total savings for the average participating Orland Park homeowner, for a total of approximately \$7 million in savings.

The Village's current EMA program is due for renewal. NIMEC, the Village's consultant was authorized by the Village Manager to obtain bids for competitive pricing from various electric suppliers. Unfortunately, the pricing provided by other supplies came in higher than the new ComEd rate of 7.052¢ per kWh that took effect on June 1, 2019. Please see attached BID document for reference. Based upon the bids received, there are no savings available to residents by purchasing energy from an alternative provider. As such, NIMEC is proposing two alternative EMA program options for a period of one year.

The first option would be to provide Village residents with 100% renewable ("green") energy, with guaranteed pricing that matches the ComEd rate of 7.052¢ per kWh, as follows:

- Every residential electric account establishes unique usage consumption patterns. Factors such as volume, time of day, single family vs. multi-family, and usage during ComEd peak periods combine to create a complex power usage profile.
- When suppliers analyze a community for a Green Community Aggregation program, they calculate the price for each individual account and switch only those accounts for which power costs less than the ComEd default rate.
- The supplier will purchase and retire Renewable Energy Certificates (RECs) to represent 100% of the historical power consumption for the entire aggregation community. The remainder of the accounts that are costlier to serve will remain on ComEd supply service.
- RECs are tracked, numbered and audited and may only be used once and are then retired.
- The profit margin on the favorable (lower cost) accounts enables the supplier to purchase RECs for all residents in the EMA program-including those residents who will be served by ComEd. All residents receive notice of the program, with the explanation that their power consumption is offset by RECs. The RECs are derived from Wind generators located in the Midwest.
- Residents may opt out and leave the program at any time for any reason, and will never be charged an early termination fee. Residents who have already contracted with another supplier on their own are not included in the program.
- All residents continue to be billed by ComEd. All residents pay the exact same ComEd default rate. The program has zero added costs but a 100% added benefit to the environment.
- The cost to produce electricity is highly variable. Generators are required, by law, to ensure it is perpetually available in full, and on demand.
- Communities that have established this program include Clarendon Hills, Elmhurst, Gurnee, La

Grange Park, Oak Lawn, Oak Park, Oswego, Palos Park, Round Lake Beach, South Barrington, South Elgin, Tinley Park, and Wood Dale.

The 100% Green Community Aggregation program enables the Village to receive the designation of US EPA Green Power Partner Community and to receive street signage from the US EPA to post within the Village. It is anticipated that Orland Park will be in the top ten communities in the United States (as a percentage of green power consumed village-wide) which will be posted on the EPA's website.

The other option would be the same as the first, except that our residents would be provided with a 50% renewable energy program and an in-kind contribution currently offered to the Village of \$25,000 dollars.

David Hoover from NIMEC will be available to present an overview of the program, its numerous benefits, and answer any questions prior to the Board decision.

On June 17, 2019, this item is being reviewed by the Finance Committee and recommended for approval and referred to the Village Board of Trustees for consideration on the same night.

I move to approve suspending the aggregation program, returning all residents to ComEd rate of 7.052¢ per kWh;

Or

I move to approve the alternative 50% renewable program with the rate of 7.052¢ per kWh for a period of 12 months with MC Squared for the supply of electric energy to Village residents pursuant to the Village's electricity aggregation program and authorize the Village Manager to negotiate an in-kind contribution on the village's behalf.

#### Financial Impact

There are no direct cost impacts and/or consultant fees. Consultant fees will be paid via the third party electrical supplier associated with municipal aggregation.

#### Recommended Action/Motion

I move to approve the alternative 100% renewable program with the rate of 7.052¢ per kWh for a period of 12 months with MC Squared for the supply of electric energy to Village residents pursuant to the Village's electricity aggregation program.